

Change of Ownership

Food establishment licenses are not transferable to new owners or new locations. When the ownership of a food establishment will be changing hands, the new owner must apply for a new license. It is important to know that a new license will not be issued until an inspection takes place and a plan review has been conducted, if applicable. Applications must be made at least 30 days in advance of any change to allow time for inspection and processing. Often questions arise asking what constitutes an ownership change. Here are some examples to assist you in determining if an ownership change has occurred.

Corporation name change only	No
Same corporation but change in corporate officers	No
New partner in a partnership	Yes
New owner	Yes
Change in type of ownership	Yes
(from one to another type; individual, partnership, joint tenant, or corporation)	

If you have any question regarding a change in your business please contact your nearest MDA regional office.

Fair Licensing and STFUs

The Michigan Food Law of 2000 changes how fair concessions are licensed. In the past, one license was needed to operate at multiple state or county fairs. Now, concessions must obtain a temporary license for each fair and notify MDA prior to operating at each site.

An option exists for concessionaires who go to many fairs. It is called a Special Transitory Food Unit (STFU) license. Special requirements to obtain this license include submitting and following standard operating procedures and obtaining a plan review. The license fee is set at \$122 whether it is obtained from a local health department or MDA. Plan review fees vary among health departments and MDA's plan review fee is \$177. The STFU license allows the operator to travel to any fair, festival or event throughout the state under one license. The operator must also obtain at least two fee inspections during the year from MDA or a local agency. The fee is \$90 per inspection.



MDA Regional Offices

- MDA•UPPER PENINSULA
2401 12th Ave., North,
Escanaba, MI 49829
(906) 786-5462
- MDA•NORTHERN
701 S. Elmwood, Suite 9,
Traverse City, MI 49684
(231) 922-5210
- MDA•WEST CENTRAL
State Office Bldg., 350 Ottawa, NW,
Grand Rapids, MI 49503
(616) 356-0600
- MDA•EAST CENTRAL
State Office Building;
614 Johnson St., Saginaw, MI 48607
(517) 753-4671
- MDA•SOUTHWEST
4032 M-139, Building 116,
St. Joseph, MI 49085
(616) 428-2546
- MDA•SOUTH CENTRAL
P.O. Box 30017,
Lansing, MI 48909
(517) 241-3306
- MDA•DETROIT
26400 Lahser Rd., Suite 415
Southfield, MI 48034;
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To contact your local health department, check local government listings.

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New Licensing Information

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Many of the changes you have heard about in the new Michigan Food Law (Act 92, P.A. of 2000) deal with license requirements. This issue is dedicated solely to food establishment licensing and answers some of the most frequently asked questions.

The Michigan Food Law of 2000 governs all food establishment licensing in Michigan. A general licensing principle contained in the law is the elimination of duplication. Only one license is required for any particular establishment, although some establishments are licensed by a local health department and others by the Michigan Department of Agriculture (MDA). The law applies a "predominant part" rule to eliminate dual inspection and licensing of combined grocery and food service establishments.

MDA will license and inspect all activities at the location if the grocery or convenience store predominates. The local health department will license and inspect if food service predominates. This rule allows the vast majority of dual-licensed establishments to be sorted out quickly and efficiently just by the overall appearance of the establishment.

Questions? Please contact the nearest MDA office listed on the back page.



Who Needs a License to Sell Food?

A food establishment license is required in almost all instances where food is commercially handled or served to the general public. Even the giving of food to the general public is included. The Michigan Food Law of 2000 requires the licensing of any person or firm that processes, packs, cans, preserves, freezes, fabricates, stores, prepares, serves, sells, or offers food for sale. Certain new license exemptions apply for those selling low-risk items. See page 2.

Whom Should I Contact?

Contact the Michigan Department of Agriculture if you primarily sell, store, or manufacture food. Examples of such establishments include:

- Retail grocery store, convenience store, party store
- Bakery, fish market, butcher shop, candy store, produce market
- Food warehouse, distribution center, transfer station, public cold storage facility
- Large or small food processing plant including:
 - Ice, water, juice or soft drink plant
 - Winery, brewery, or distillery
 - Egg grading & packing plant
 - Fruit & vegetable repacking operation, or brining station
- Canning & preserving plant
- Flour mill or cereal plant
- Cider mill, maple syrup or honey house
- Food salvage or reclamation center
- State or county fair concession

Contact your local health department if you primarily serve food that can be immediately consumed, or operate a:

- Restaurant, cafeteria, grill, cafe, delicatessen
- Bar, brewpub, tavern, or nightclub
- Rental hall, theater, commissary, catering kitchen
- Donut shop, lunch counter, sandwich shop, soda fountain, coffee shop
- Catering truck
- Temporary food service stand at a festival, event, or flea market
- Vending machine
- Special transitory food unit

Important New License Exemption

The Food Law of 2000 has established a new license exemption that could affect your business. The law exempts retail businesses that sell only incidental amounts of food already packaged and “not potentially hazardous.” “Not potentially hazardous” foods include canned goods, dry goods, candy, and other low risk packaged food items. However, if you sell milk, sandwiches, meat, eggs, frozen dinners or other similar perishable food, you still are required to obtain a license.

MDA has the authority to determine if a business requires a license, so it’s best to check if you think you are exempt. Examples of exempt firms may include a video store, hardware store, gift shop, sporting goods store, home improvement center, toy store, clothing store, or card shop selling only packaged food that doesn’t require refrigeration.

Who Does Not Need a Food License?

The following firms do not require a food establishment license but are still subject to inspection by MDA or local agencies. It’s a good idea to call MDA and verify if you think you are exempt from a food establishment license.

- Produce stands selling only whole, uncut, fresh fruits and vegetables.
- Church bake sales or a fund raising meal at an event run by a charitable, religious, fraternal or other non-profit organization.
- Non-profit cooperatives.
- Retail honey and maple syrup outlets (for honey and maple syrup sold by a licensed producer).
- Vending machines dispensing only packaged soft drinks or candy.

Others Who Do Not Need a Food License

- Fishing guide service serving lunch to 12 clients or less.
- Temporary establishments with no food preparation using single-service articles and serving only non-potentially hazardous food or beverage. Examples include beer tents, soft drink stands, or snack bars at school sporting events.
- A temporary, satellite, serving location of a licensed food service establishment where no food is prepared, and food is served by the employees.
- Retail businesses selling only pre-packaged, non-potentially hazardous foods in incidental amounts.
- Some firms licensed under other, specific dairy or agricultural acts.
- Certain bed and breakfast operations.

Do I Need a Plan Review?

An application for a food establishment license must be submitted to the appropriate regulatory agency at least thirty days before a new food business opens. An inspection must be conducted before a license can be issued. Keep in mind

that some establishments may also be required to submit plans and specifications to the licensing agency. These plans must be approved prior to construction or remodeling! The agency conducting the plan review must complete the review within 30 days. Plan review fees vary among local health departments. The following establishments are required to submit plans for review and approval:

- A food service establishment (local health departments - fees vary).
- An extended retail grocery (MDA - no added fee).
- A special transitory food unit (local health departments or MDA - fees vary).
- Other MDA-licensed retail establishments are encouraged to avail themselves of MDA for plan review services at no added cost. (These fees have already been built into the license fees.)

New License Expiration Dates

- All licenses (except temporaries) expire on April 30 each year and must be renewed 30 calendar days before they expire.
- New license applications must be submitted 30 days in advance. This includes a change of ownership.
- Late fees will be assessed if a license renewal is postmarked May 1 or later. New firms must also pay late fees if its operations begin prior to submitting an application. Late fees are \$10 per business day up to a maximum of \$100.
- Temporary food establishments are only allowed to operate for a period up to 14 consecutive days and are issued a temporary license for a specified, limited time period.

Information Available on Line

You can review and obtain copies of the Food Law of 2000 and the Food Code, along with information on training, certification and other educational material on MDA's web site:

www.mda.state.mi.us

License Types and Fees

Use this chart to decide the proper category and fee for your establishment. These are the categories referred to on the MDA license application. For food service establishments (E.1 through E.5), contact your local health department.

A.1 Retail Food Establishment	License Fee \$70	An operation that sells or offers to sell food directly to a consumer. Examples include a grocery store, convenience store, party store, retail bakery, fish market, butcher shop, candy store, and produce market. Note: If the business has both food service and seating for the food service go to B.1.
A.2 Limited Wholesale Food Processor	License Fee \$70	A wholesale food processor (see B.2) that has \$25,000 or less in annual gross wholesale sales made or business done in wholesale sales in the preceding licensing year, or \$25,000 or less of the food is reasonably anticipated to be sold for the current licensing year. Only the food sales from the wholesale food processor operation are used in computing the annual gross sales. Examples may include a small maple syrup operation, a small apple cider mill, a small honey processor, and a small poultry or rabbit slaughterer.
A.3 Food Warehouse	License Fee \$70	A food establishment that stores or distributes prepackaged food. This may include a small or large food warehouse, distribution center, transfer station, public cold storage facility, or reclamation center.
B.1 Extended Retail Food Establishment	License Fee \$175	A retail food store that does both of the following: •Serves or provides an unpackaged food for immediate consumption. •Provides customer seating in the food service area.
B.2 Wholesale Food Processor	License Fee \$175	An operation that processes, manufacturers, packages, or labels food for wholesaling. Examples include an ice manufacturer; wholesale bakery or bread plant; winery; brewery; water, juice, soft drink, or beverage plant; canning plant; flour mill, cereal plant; specialty foods processor; wholesale fish or seafood processor, wholesale fish smoking operation, fruit & vegetable packer, egg grading plant.
B.3 Mobile Food Establishment	License Fee \$175	Operating (grocery sales) from a vehicle or watercraft and returning to a commissary for servicing at least every 24 hours. An example may include door to door frozen food sales from a truck. Note: the commissary must obtain a Mobile Food Establishment Commissary License.
B.4 Mobile Food Establishment Commissary	License Fee \$175	An operation that services a mobile food establishment.
C.1 Temporary Food Establishment	License Fee \$28	A food establishment which operates at a fixed location for a temporary period not to exceed 14 consecutive days. Example: concession stands at state or county fairs.
D.1 Special Transitory Food Unit	License Fee \$122	“Special Transitory Food Unit” means a temporary food establishment that is licensed to operate throughout the state without the 14-day limits, or a mobile food establishment that is not required to return to a commissary. If the first operating location is a state or county fair, contact MDA; otherwise contact the local health department for that location.
E.1 Food Service Establishment	License Fee §	A place in which food or drink is prepared for direct consumption through service on the premises or elsewhere and any other eating or drinking establishment or operation where food is served or provided for the public. Examples include a fixed restaurant, coffee shop, cafeteria, short order cafe, luncheonette, grill, tearoom, sandwich shop, soda fountain, tavern, bar, cocktail lounge, nightclub, drive-in, industrial feeding establishment, private organization serving the public, rental hall, catering kitchen, delicatessen, theater, commissary, or similar business.
E.2 Mobile Food Service Establishment	License Fee §	A catering truck or other food service establishment operating from a vehicle or watercraft that returns to a licensed commissary for servicing and maintenance at least once every 24 hours.
E.3 Temporary Food Service	License Fee §	A food service establishment which operates at a fixed location for a temporary period not to exceed 14 consecutive days. Example: concession stands at festivals and events.
E.4 Mobile Food Establishment Commissary	License Fee §	An operation that is capable of servicing a mobile catering food establishment.
E.5 Vending Machine	License Fee §	A self-service device offered for public use that, upon activation by a coin, token, card, key, or paper currency, dispenses unit servicing of food or beverages without the necessity of replenishing the device between each vending operation. Vending machine does not include any of the following: •A device that dispenses only bottled or canned soft drinks; other packaged nonperishable foods or beverages; or bulk ball gum, nuts, and panned candies. •A water-dispensing machine that is registered by the Michigan Dept. of Agriculture.
§ See Local Health Dept. for fee		